

**POLITICAL OFFICE BEARERS PENSION FUND
FINANCIAL SECTOR CONDUCT AUTHORITY REGISTRATION NUMBER 12/8/35658**

**ANNUAL FINANCIAL STATEMENTS
IN TERMS OF SECTION 15 OF THE PENSION FUNDS ACT NO 24. 1956**

FOR THE FINANCIAL REPORTING PERIOD ENDED 31 MARCH 2022

POLITICAL OFFICE BEARERS PENSION FUND

ANNUAL FINANCIAL STATEMENTS

For the financial reporting period ended 31 March 2022

Financial Sector Conduct Authority registration number 12/8/35658

South African Revenue Service approval number: 18/20/4/40022

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*Not subject to any engagement by an auditor

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information

For the period ended 31 March 2022

Registered office of the Fund

Postal address:

P O Box 2164
Cape Town
Western Cape
8000
South Africa

Physical address:

Parliament
90 Plein Street
Cape Town
Western Cape
8001
South Africa

Financial reporting periods

Current period:

01 April 2021 to 31 March 2022

Previous period:

01 April 2020 to 31 March 2021

Board of Fund	Email address	Capacity	Date appointed or re-appointed	Date resigned
Employer appointed Board Member				
M J Makwakwa	joseph.makwakwa@treasury.gov.za	Alternate	25/06/2021	
G Manack	Goolam.Manack@treasury.gov.za		25/06/2021	
T A Thela	alvinah.thela@treasury.gov.za	Alternate	25/06/2021	
P Thwala	Phopho.Thwala@treasury.gov.za		25/06/2021	

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information
For the period ended 31 March 2022

Board of Fund	Email address	Capacity	Date appointed or re-appointed	Date resigned
Member elected Board Member				
D America	derrick.america@wcpp.gov.za	Alternate	25/06/2021	
M G Boroto	mboroto@parliament.gov.za	Chairperson	25/06/2021	
M M Botswa	botswematshidiso77@gmail.com	Alternate	25/06/2021	
T Duba	tduba@ecleg.gov.za		25/06/2021	
K C Fihlani	kfihlani@ecleg.gov.za	Alternate	25/06/2021	
D T George	diontgeorge@gmail.com		25/06/2021	
P Govender	Govenderp@kznleg.gov.za	Alternate	25/06/2021	
M E Khumalo	mkhumalo1@gpl.gov.za	Alternate	25/06/2021	
N C Klaaste	newreneklaaste8@gmail.com		25/06/2021	
R Mackenzie	ricardo.mackenzie@wcpp.gov.za		25/06/2021	
D G Mahlangu	dimahlangu@parliament.gov.za	Alternate	25/06/2021	
N S Maneng	Mmothibi@ncg.gov.za	Alternate	25/06/2021	
M C Masilela	MakhosazaneM@mpuleg.gov.za		25/06/2021	
L H Mekgwe	Lmekgwe@gpl.gov.za		25/06/2021	
F V Mlombo	FVMlombo@mpuleg.gov.za	Alternate	25/06/2021	
M E Mokgonyana	emokgony@gmail.com	Alternate	25/06/2021	
R R Molapo	Molapor@limpopoleg.gov.za		25/06/2021	
I K Morolong	imorolong@parliament.gov.za	Alternate	25/06/2021	
R T Mthembu	mthemburt@kznleg.gov.za		25/06/2021	
C P Mulder	zemfira@mweb.co.za		25/06/2021	
A J Nyambi	anyambi@parliament.gov.za		25/06/2021	
J Radebe	RadebeJ@fsl.gov.za	Alternate	25/06/2021	
P M Sebegoe	Pauls@nwpl.org.za		25/06/2021	
L F Shabalala	lshabalala@parliament.gov.za		25/06/2021	
N B Sifuba	Sifuban@fsl.gov.za		25/06/2021	
N Singh	nsingh@parliament.gov.za	Alternate	25/06/2021	
M E Sukers	msukers@parliament.gov.za	Alternate	25/06/2021	
S R Van Schalkwyk	sharomevan@gmail.com	Alternate	25/06/2021	

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
 Registration number: 12/8/35658

Regulatory Information
 For the period ended 31 March 2022

Board of Fund	Email address	Capacity	Date appointed or re-appointed	Date resigned
Board Member appointed in terms of Section 26(2) of the Pension Funds Act				
M G Boroto	mboroto@parliament.gov.za	Chairperson	31/03/2020	25/06/2021
T Duba	tduba@ecleg.gov.za		31/03/2020	25/06/2021
D T George	diontgeorge@gmail.com		31/03/2020	25/06/2021
N W Klaaste	newreneklaaste8@gmail.com		03/06/2020	25/06/2021
M M Lerule-Ramkhanya	Lerule-ramakhanya@limpopoleg.gov.za		31/03/2020	25/06/2021
R Mackenzie	ricardo.mackenzie@wcpp.gov.za		31/03/2020	25/06/2021
G Manack	Goolam.Manack@treasury.gov.za		31/03/2020	25/06/2021
L H Mekgwe	Lmekgwe@gpl.gov.za		31/03/2020	25/06/2021
J M Mofokeng	Jmofokeng@parliament.gov.za		31/03/2020	25/06/2021
C P Mulder	zemfira@mweb.co.za		31/03/2020	25/06/2021
A J Nyambi	anyambi@parliament.gov.za		31/03/2020	25/06/2021
P M Sebegoe	Pauls@nwpl.org.za		31/03/2020	25/06/2021
B P Shiba	BusisiweS@mpuleg.gov.za		31/03/2020	25/06/2021
N B Sifuba	Sifuban@fsl.gov.za		14/05/2020	25/06/2021
S P Thwala	Phopho.Thwala@treasury.gov.za		31/03/2020	25/06/2021

Governance note: schedule of meetings held by the Board of Fund in terms of the Rules of the Fund

Meeting date	Place of meeting	Quorum (yes/no)
25/06/2021	Via teleconference	Yes
17/09/2021	Via teleconference	Yes
18/12/2021	Via teleconference and AHA Makalali Private Game Lodge, Limpopo	Yes
04/03/2022	Via teleconference	Yes

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information
For the period ended 31 March 2022

Fund Officers

Principal Officer

Name: B Burger

Postal address: 15 La Constance Crescent
Durmonte
Durbanville
7550

Physical address: 15 La Constance Crescent
Durmonte
Durbanville
7550

Telephone number: 0832673963

Email address: Belindaburger1406@outlook.com

Date appointed: 09/11/2020

Monitoring person in terms of Section 13A of the Pension Funds Act

Name: B Burger

Postal address: 15 La Constance Crescent
Durmonte
Durbanville
7550

Physical address: 15 La Constance Crescent
Durmonte
Durbanville
7550

Telephone number: 0832673963

Email address: Belindaburger1406@outlook.com

Date appointed: 06/12/2021

Professional service providers

Valuator

Name: R Mthapo

Qualifications: BEconSc(cum laude), BScHons, FASSA

Organisation: Moruba Consultants & Actuaries Proprietary Limited

Postal address: 85 Maude Street
Grd floor, 2 Exchange Square
Sandton
2196

Physical address: 85 Maude Street
Grd floor, 2 Exchange Square
Sandton
2196

Telephone number: +27 (0)11 784 2309

Email address: ranti@moruba.co.za

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information
For the period ended 31 March 2022

Professional service providers

Auditors

Full name: Deloitte & Touche
Qualifications: Registered Auditors

Postal address:
P O Box 578
Cape Town
8000
South Africa

Physical address:
The Ridge Building
6 Marina Road
Portsworld District
V&A Waterfront
Cape Town
8000

Telephone number: +27 (0)21 427 5300
Email address: zjakoet@deloitte.co.za

Benefit administrator

Full name: Alexander Forbes Financial Services Proprietary Limited
Section 13B registration number: 24/472

Postal address:
P O Box 787240
Sandton
2146
South Africa

Physical address:
Alexander Forbes
115 West Street
Sandown
2196
South Africa

Telephone number: +27 (0)11 269 0000

Fund consultant

Full name: Towers Watson Proprietary Limited
FAIS registration number: 2545

Postal address:
Private Bag X30
Rondebosch
7701
South Africa

Physical address:
Level 4, Montclare Place
23 Main Road
Claremont
Cape Town
7708
South Africa

Telephone number: +27 (0)21 681 3700

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information
For the period ended 31 March 2022

Investment administrator

Full name: 27Four Investment Managers Proprietary Limited
FAIS registration number: 31045

Postal address:
P O Box 522417
Saxonwold
2132
South Africa

Physical address:
Rosebank Firestation
5th Floor
c/o Bath Avenue & Baker Street
Rosebank
2196
South Africa

Telephone number: +27 (0)11 442 2464

Investment administrator

Full name: Allan Gray South Africa Proprietary Limited
FAIS registration number: 27146

Postal address:
P O Box 51605
V&A Waterfront
Cape Town
8002
South Africa

Physical address:
1 Silo Square
V&A Waterfront
Cape Town
8001
South Africa

Telephone number: +27 (0)21 446 7727

Investment administrator

Full name: Camissa Asset Management Proprietary Limited
FAIS registration number: 784

Postal address:
P O Box 1016
Cape Town
7708
South Africa

Physical address:
5th Floor
Montclare Place
cnr Campground and Main Roads
Claremont
8001
South Africa

Telephone number: +27 (0)21 673 6303

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information
For the period ended 31 March 2022

Investment administrator

Full name: Coronation Asset Management Proprietary Limited
FAIS registration number: 548

Postal address:
P O Box 44684
Claremont
7735
South Africa

Physical address:
7th Floor
Montclare Place
Cnr Campground and Main Roads
Claremont
Cape Town
7708
South Africa

Telephone number: +27 (0)21 680 2099

Investment administrator

Full name: First Avenue Investment Management Proprietary Limited
FAIS registration number: 42693

Postal address:
Posnet Suite 92
Private Bax X11
Birnam Park
2015
South Africa

Physical address:
21 Fricker Road
Turner & Townsend House
Illovo
2196
South Africa

Telephone number: +27 (0)11 772 2480

Investment administrator

Full name: Futuregrowth Asset Management Proprietary Limited
FAIS registration number: 520

Postal address:
Private Bag X6
Newlands
7725
South Africa

Physical address:
3rd Floor
Great Westerford Building
240 Main Road
Rondebosch
7700
South Africa

Telephone number: +27 (0)21 659 5447

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information
For the period ended 31 March 2022

Investment administrator

Full name: Ninety One South Africa Proprietary Limited
FAIS registration number: 587

Postal address:	Physical address:
P O Box 1655	36 Hans Strijdom Avenue
Cape Town	Foreshore
8000	Cape Town
South Africa	8001
	South Africa

Telephone number: +27 (0)21 416 1932

Investment administrator

Full name: Oasis Asset Management Limited
FAIS registration number: 603

Postal address:	Physical address:
P O Box 1217	96 Upper Roodebloem Road
Cape Town	University Estate
8000	Cape Town
South Africa	7925
	South Africa

Telephone number: +27 (0)21 413 7860

Investment administrator

Full name: Old Mutual Life Assurance Company South Africa Limited
FAIS registration number: 703

Postal address:	Physical address:
P O Box 1014	Mutualpark
Cape Town	Jan Smuts Drive
8000	Pinelands
South Africa	7405
	South Africa

Telephone number: +27 (0)21 509 2127

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND

Registration number: 12/8/35658

Regulatory Information

For the period ended 31 March 2022

Investment administrator

Full name: Prowess Investment Managers Proprietary Limited
FAIS registration number: 38318

Postal address:
Private Bag 15086
Vlaeberg
8078
South Africa

Physical address:
20th Floor
1 Thibault Square
1 Long street
Cape Town
8001
South Africa

Telephone number: +27 (0)21 565 0065

Investment administrator

Full name: Public Investment Corporation SOC Limited
FAIS registration number: 19777

Postal address:
Private Bag X 187
Pretoria
001
South Africa

Physical address:
PIC Building, Block C
Riverwalk Office Park
41 Matroosberg Road
Ashlea Gardens
Extension 6 Menlo Park
Pretoria
South Africa

Telephone number: +27 (0)12 742 3400

Investment administrator

Full name: Sefikile Capital Proprietary Limited
FAIS registration number: 39946

Postal address:
Suite 334
Private Bag X1
Melrose Arch
2076
South Africa

Physical address:
2nd Floor
18 The High Street
Melrose Arch
Johannesburg
2076
South Africa

Telephone number: +27 (0)11 684 1200

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information
For the period ended 31 March 2022

Investment advisor

Full name: Towers Watson Proprietary Limited
FAIS registration number: 2545

Postal address:
Private Bag X30
Rondebosch
7701
South Africa

Physical address:
Level 4, Montclare Place
23 Main Road
Claremont
Cape Town
7708
South Africa

Telephone number: +27 (0)21 681 3700

Risk insurer

Full name: Sanlam Life Insurance Limited
FSP approval number: 2759

Postal address:
P O Box 1
Sanlamhof
7532
South Africa

Physical address:
Sanlam Head Office
2 Strand Street
Bellville
7532
South Africa

Telephone number: +27 (0)21 947 2449

SCHEDULE A
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Regulatory Information
For the period ended 31 March 2022

Participating employers

- The National Assembly
- The National Council of Provinces
- The Nine Provincial Legislatures, including the Provincial Departments
- The Presidency

Departments (both National and Provincial, where applicable) of:

- Agriculture, Land Reform and Rural Development
- Communications and Digital Technologies
- Cooperative Governance and Traditional Affairs
- Defence and Military Veterans
- Education - Basic Education
- Education - Higher Education, Science and Technology
- Employment and Labour
- Finance
- Forestry, Fisheries and the Environment
- Health
- Home Affairs
- Human Settlements, Water and Sanitation
- International Relations and Cooperation
- Justice and Correctional Services
- Mineral Resources and Energy
- Police
- Public Enterprises
- Public Services and Administration
- Public Works and Infrastructure
- Small Business Development
- Social Development
- Sport, Arts and Culture
- Tourism
- Trade & Industry
- Transport

SCHEDULE B
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Statement of Responsibility by the Board of Fund
For the period ended 31 March 2022

Responsibilities

The Board of Fund hereby confirms to the best of their knowledge and belief that, during the period under review, in the execution of their duties they have complied with the duties imposed by the Pension Funds Act of South Africa and the Rules of the Fund, including the following:

- ensured that proper registers, books and records of the operations of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the Fund;
- ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the Rules of the Fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the Fund or reported where necessary in accordance with Section 13A and Regulation 33 of the Pension Funds Act of South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the Rules and the operation and administration of the Fund complied with the Pension Funds Act of South Africa and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the Rules of the Fund; and
- ensured that investments of the Fund were implemented and maintained in accordance with the Fund's investment strategy.

The Board of Fund assessed the Fund's ability to continue as a going concern in addition to the above responsibilities.

Approval of the annual financial statements

The annual financial statements of Political Office Bearers Pension Fund are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the Fund and/or its benefit administrator, provide reasonable assurance that:

- the Fund's assets are safeguarded;
- transactions are properly authorised and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 21 to 59 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the Pension Funds Act of South Africa.

These annual financial statements have been reported on by the independent auditors, Deloitte & Touche, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on pages 18 to 20.

SCHEDULE B
POLITICAL OFFICE BEARERS PENSION FUND
 Registration number: 12/8/35658

Statement of Responsibility by the Board of Fund
 For the period ended 31 March 2022

Instances of non-compliance

The following instance of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the annual financial statements came to our attention and was rectified before the Board of Fund's approval of the annual financial statements:

Nature and cause of non-compliance	Impact of non-compliance matter on the Fund	Corrective course of action taken to resolve non-compliance matter
Contributions from 3 paypoints were not paid in terms of Section 13A of the Pension Funds Act for the months of March 2021, June 2021 and September 2021.	This is in contravention of the Rules of the Fund and does not comply with the Pension Funds Act.	The late-paid contributions affected only a handful of members. Nonetheless, late payment interest was calculated. The contributions were subsequently received. Late payment interest was received from 1 of the paypoints and a receivable has been raised for the late payment interest outstanding from the 2 other paypoints.

SCHEDULE B
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Statement of Responsibility by the Board of Fund
For the period ended 31 March 2022

These annual financial statements:

- were approved by the Board of Fund on 16.9.2022;
- are, to the best of the Board members' knowledge and belief, confirmed to be complete and correct;
- fairly represent the net assets of the Fund as at 31 March 2022 as well as the results of its activities for the period then ended; and
- are signed on behalf of the Board of Fund by:



Name: M. A. Nyombi
Board Member

Place: Cape Town

Date: 25.9.2022



Name: Mr. P. Thwala
Board Member

Place: PRETORIA

Date: 26.9.2022



M G Boroto
Chairperson

Place: Cape Town

Date: 22 September 2022

SCHEDULE C
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Statement of Responsibility by the Principal Officer
For the period ended 31 March 2022

I confirm that, for the period under review, Political Office Bearers Pension Fund has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act and, to the best of my knowledge, all applicable legislation except for the following:

Specific instance of non-compliance	Remedial action taken
Contributions from 3 paypoints were not paid in terms of Section 13A of the Pension Funds Act for the months of March 2021, June 2021 and September 2021.	The late-paid contributions affected only a handful of members. Nonetheless, late payment interest was calculated. The contributions were subsequently received. Late payment interest was received from 1 of the paypoints and a receivable has been raised for the late payment interest outstanding from the 2 other paypoints.



B Burger
Principal Officer
Place: Cape Town
Date: 19.9.2022

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE POLITICAL OFFICE BEARERS PENSION FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Political Office Bearers Pension Fund (the Fund) set out on pages 28 to 59, which comprise the statement of net assets and funds as at 31 March 2022 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared for the purpose of reporting to the Financial Sector Conduct Authority (the Authority).

In our opinion, the financial statements of the Political Office Bearers Pension Fund for the year ended 31 March 2022 are prepared, in all material respects, in accordance with Regulatory Reporting Requirements for Retirement Funds in South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial reporting framework and restriction of use

We draw attention to the Basis of Preparation in the Notes to the Financial Statements, which describes the basis of preparation of the financial statement. The financial statements have been prepared for the purpose of the Fund's reporting to the Authority in terms of section 15(1) of the Pension Funds Act No. 24 of 1956, as amended (the Pension Funds Act of South Africa), and have been prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Fund and the Authority and should not be used by parties other than the Board of Fund or the Authority. Our opinion is not modified in respect of this matter.



National Executive: *R Redfearn Chief Executive Officer *GM Berry Chief Operating Officer JW Eshun Managing Director Businesses LN Mahluza Chief People Officer *N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer *NA le Riche Chief Growth Officer *ML Tshabalala Audit & Assurance AM Babu Consulting TA Odukoya Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal DP Ndlovu Chair of the Board

Regional Leader: MN Alberts

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE POLITICAL OFFICE BEARERS PENSION FUND (Continued)

Other information

The Board of Fund is responsible for the other information. The other information comprises the annual financial statements in terms of section 15 of the Pension Funds Act of South Africa, of the Fund for the period 1 April 2021 to 31 March 2022, but does not include the financial statements (schedules F, G and HA) and our auditor's report thereon (schedule D) but does not include the financial statements (schedule F, G and HA) and our auditor's report thereon (schedule D).

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Fund for the Financial Statements

The Board of Fund is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and for such internal control as the Board of Fund determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Board of Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

In preparing the financial statements, the Board of Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Pension Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of the Fund.
- Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

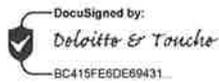
Auditor's Responsibilities for the Audit of the Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.



Deloitte & Touche
Registered Auditors

Per Z Jakoet
Partner

29 September 2022

SCHEDULE E
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Report of the Board of Fund
For the period ended 31 March 2022

1. Description of the Fund

Type of Fund

In terms of Section 1 of the Income Tax Act, 1962 the Fund is classified as a pension fund. The Fund is a defined contribution fund.

Benefits

Fund benefits

The objective of the Fund is to provide retirement and other benefits for Political Office Bearers as defined in the Rules, and benefits for their dependants in the event of their death.

Paid up members

Paid up members are administered in terms of the Rules of the Fund.

Unclaimed benefits

Complete records, as prescribed per the Rules of the Fund, are maintained by the Fund for unclaimed benefits.

Strategy of the Board of Fund towards unclaimed benefits

The Pension Funds Act refers to unclaimed benefits as all claims that remain unpaid in excess of 24 months taking the date of exit in terms of the Rules of the Fund into account. The Fund Rules now provide that, if a member does not provide the Fund with clear directions as to the payment of his/her benefit after leaving office, the member will become a Deferred Beneficiary with a preserved benefit held in the Fund, receiving fund returns. The Trustees therefore believe that there will be very few additions to the list of unclaimed benefits in future.

Contributions

Members' contributions

Members contribute at a rate of 7.5% of pensionable salary (members who have completed 15 years of contributory service may apply to cease contributing).

Members are allowed to make additional voluntary contributions.

Employers' contributions

Participating employers contribute at a rate of 22.5% of pensionable salary of which 17% is allocated towards retirement funding, 0.7% towards the cost of the Fund's administration and 4.8% towards the cost of insured risk benefits including unapproved risk benefits.

SCHEDULE E
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Report of the Board of Fund
For the period ended 31 March 2022

Consolidated rules

During the prior reporting period, the Fund's Rules were consolidated. The Financial Sector Conduct Authority approved the consolidated Rules on 6 September 2020.

Rule amendments

Rule amendment no.	Date of Board of Fund's resolution	Effective date	Date registered by the Financial Sector Conduct Authority
Rule Amendment No.3	22/09/2021	01/03/2021	28/10/2021
Rule Amendment No.4	23/09/2021	01/10/2021	28/10/2021
Rule Amendment No.5	04/03/2022	01/04/2019	19/04/2022

Rule Amendment No.3

The reasons for the rule amendments are:

- To broaden the definition of Approved Fund to include any preservation fund ;
- To harmonize the Fund Rules with the amended definition of 'pension fund' in the Income Tax Act;
- To permit a transfer-in at any time and to correct a minor drafting error.

Rule Amendment No.4

The reasons for the rule amendments are:

- To avoid duplication - the current definition of Fund Credit lists the amounts to be credited or debited to the member's account, but so does Rule 4.2A (and these are not always consistent);
- To provide for tracing costs, and any other costs of paying a benefit to a member who has been traced, to be deducted from the member's benefit amount if the Trustees so decide.

Rule Amendment No.5

The rule amendment deals with members with interrupted service, i.e. Deferred Beneficiaries who return to service at a later date. The reasons for the rule amendment are:

- To reflect the Administrators' processes in such cases and to ensure that the Member's rights as a Deferred Beneficiary, in respect of the paid-up benefit, are maintained if the Member returns to service at a later date.

Reserves and specified accounts established in terms of the Rules of the Fund

Administration reserve account

Credited with any excess of contracted contributions (0.7% of pensionable salaries) over the actual Fund administration expenses. Credited with net fund returns.

Data reserve account

Established to absorb strains resulting from data errors. Credited with amounts as determined by the actuary and approved by the Board of Fund. Credited with net fund returns. Debited with amounts required to correct any data errors.

SCHEDULE E
POLITICAL OFFICE BEARERS PENSION FUND

Registration number: 12/8/35658

Report of the Board of Fund

For the period ended 31 March 2022

Employer surplus account (no. 1)

Credited with such Fund interest as the actuary may calculate is appropriate and debited with an amount equal to the part of the vested amount of each vested member which relates to the equalisation amount or terminal gratuity, or the projected equalisation amount or projected terminal gratuity, if any, as applicable.

Employer surplus account (no. 2)

Credited with such Fund interest as the actuary may calculate is appropriate and debited with an amount equal to the part of the vested amount of each vested member which relates to the additional service benefit, or the projected additional service benefit.

Employer surplus account (no. 3)

Credited with any surplus amounts apportioned for the benefit of the employers. Credited with net fund returns. Debited with amounts paid to the employers, amounts transferred to other accounts of the Fund, amounts required to meet a deficit in the Fund or amounts applied on liquidation of the Fund.

Member surplus account

Credited with any actuarial surplus apportioned for the benefit of the members. Credited with net fund returns. Debited with amounts to improve benefits for the member, amounts to reduce current contributions due by members and expenses that will result in a reduction of the members' benefit.

Risk reserve account

Credited with contributions towards insured costs risks costs (contracted 4.8% of pensionable salaries versus actual risk benefit costs). Debited with group life assurance premiums and enhancement of members credits if so decided by the Board of Fund and credited with fund return.

2. Investments

Investment strategy

The Board of Fund has formulated an investment strategy that complies with the provisions of Regulation 28 and 37 of the Pension Funds Act, after taking due consideration of the advice of the Fund's investment and other professional advisors. In terms of the investment strategy, the investments are managed according to the following principles:

Investment strategy

The Board of Fund decided that for the period 1 April 2021 to 31 March 2022 the following policy should be adopted for all members:

- The Fund's assets are invested in a single portfolio made up of sub-portfolios comprising specialist mandates (equities, bonds etc.) invested with various investment managers or in various investment funds. There is no individual member investment choice.
- A revised strategic asset allocation was adopted by the Board of Fund in December 2021 for the main investment portfolio, comprising 20% SA equities, 45% SA interest-bearing investments, 5% SA property investments, and 30% offshore investments (chiefly global equities). The main portfolio investments were largely aligned to this strategic asset allocation by 31 March 2022,

**SCHEDULE E
POLITICAL OFFICE BEARERS PENSION FUND**

Registration number: 12/8/35658

Report of the Board of Fund

For the period ended 31 March 2022

while a separate SA Bonds portfolio was created as at that date to hold the assets backing the employer surplus accounts.

- Cashflows will be invested or disinvested as instructed by the Trustees.

Unclaimed benefits

These assets, if any, are kept in the bank account and credited with net fund return (bank interest). A portion of the Additional Service and Equalisation benefits relating to the unclaimed benefits are invested on same basis as the other fund assets, although these benefits are also credited with bank interest when they are paid.

Employer Surplus Account

Assets allocated to the Employer Surplus Accounts were invested on the same basis as all the other fund assets during the financial year.

Reserve account

Assets in the reserve accounts are invested with all other fund assets and enjoy the same monthly investment returns as the fund credits of active members.

Management of investments

It is the Fund's policy to mandate investment administrators to manage the Fund's investments in accordance with the Fund's investment strategy. Investment administrators are granted discretion as to the management and composition of the investment portfolios subject to their mandate and the limitations imposed by the Pension Funds Act in South Africa. Investment administrators are selected on their performance, sector or specialist knowledge, professional competence and ability to deliver on the Fund's investment strategy. Investment administrators are remunerated on a fee basis and are paid monthly.

The Board of Fund and investment sub-committee meet regularly with their investment advisor to (i) discuss and if necessary review the investment strategy, (ii) discuss and if necessary review the investment management policy, and (iii) monitor the asset allocation and performance of the investment administrators against the investment strategy of the Fund.

3. Membership

Active members

At beginning of period	911
Additions	36
Adjustments*	(1)
Less:	
Withdrawals	18
Deaths	13
Retirements	7
Transfers to deferred pensioner status	1
At end of period	907
Number at end of period (South African citizen)	907

SCHEDULE E
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Report of the Board of Fund
For the period ended 31 March 2022

Adjustments

*The adjustment is due to the deletion of a duplicate member record.

Deferred pensioners	
At beginning of period	27
Transfers from active members	1
At end of period	28

Number at end of period (South African citizen) 28

Deferred pensioners

The deferred pensioners reconciliation is with regards to paid-up members.

Unclaimed benefits	
At beginning of period	300
Additions	59
Adjustments*	(21)
Less:	
Settled in full	1
At end of period	337

Number at end of period (South African citizen) 337

Adjustments

*An exercise was carried out to verify the schedule of unpaid ASB and Equalisation benefits received from the previous administrator, prior to a former member tracing exercise. This identified that the amounts due to 20 former members had in fact already been paid, and so the amounts for them were removed from the list of unclaimed benefits. These adjustments are reflected in the current year's financial statements (note 9).

*Included in the adjustments is the deletion of a duplicate member record.

Citizenship

As per feedback received from the Financial Sector Conduct Authority, the citizenship disclosure is based on the members' identification numbers (ID's).

4. Actuarial valuation

In terms of Section 16 of the Pension Funds Act all funds are required to submit an actuarial valuation to the Authority at intervals not exceeding three years. The Fund's valuator must establish and quantify the Fund's contingency reserve accounts. The financial statements summarise the transactions and net assets of the Fund. They do not take account of liabilities to pay pensions and other benefits in the future.

In accordance with Section 16 of the Pension Funds Act and the rules of the Fund, the actuarial position of the Fund, which does take account of such liabilities, is examined and reported upon by the valuator at intervals not exceeding three years.

SCHEDULE E
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Report of the Board of Fund
For the period ended 31 March 2022

Interim valuations are done annually. The last interim valuation was performed at 31 March 2021.

The last statutory actuarial valuation was performed at 31 March 2020. The valuator reported that the Fund was in a sound financial position. The next statutory valuation will be performed as at 31 March 2023.

5. Surplus apportionment

Member Surplus

In the report on the Statutory Actuarial Valuation as at 31 March 2020, the actuary noted that there were no recommendations being made in respect of surplus apportionment.

6. Housing loan facilities

Housing loan guarantees

The Fund has granted housing loan guarantees in terms of the rules of the Fund and Section 19(5) of the Pension Funds Act. Each loan is secured by the withdrawal benefit of the respective member. As at year end the Fund has housing loan guarantees to the value of 2022: R3 196 159 (2021: R3 114 936).

7. Investments in participating employers

The Fund holds investments in Government Bonds to the value of 2022: R1 144 030 539 (2021: R974 700 041). This is not considered to be an investment in the participating employer as the bonds are issued by the Republic of South Africa and not the Minister of Finance. Consequently, we are of the view that the Fund does not hold investments prohibited by Section 19(4) of the Pension Fund Act. The Fund therefore holds no direct investment in the participating employers.

8. Significant matters

Unapproved risk benefits

The Fund is currently used as a conduit for the payment of premiums in respect of unapproved risk benefits. The Employer is liable for the premiums payable to the registered insurer in respect of the unapproved risk benefits and the Fund is currently not liable to pay unapproved risk benefits, as it is an employer-owned policy.

Permanent health insurance policy

Insurance premiums of R3 614 948 (2021: R3 399 406) for the period 01 April 2021 to 31 March 2022 were received and paid to MMI Group Limited.

Spouse cover policy

Insurance premiums of R3 824 760 (2021: R2 967 231) for the period 01 April 2021 to 31 March 2022 were received and paid to Sanlam Life Insurance Limited.

SCHEDULE E
POLITICAL OFFICE BEARERS PENSION FUND

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Report of the Board of Fund

For the period ended 31 March 2022

Funeral cover policy

Insurance premiums of R480 628 (2021: R400 463) for the period for the period 01 April 2021 to 31 March 2022 were received and paid to MMI Group Limited.

Going concern

The number of death-in-service cases that the Fund experienced over the latest financial year was again higher than in the preceding years, although the number of new cases has declined substantially since the middle of 2021. Nonetheless, the premium rates for the Fund's insured death benefit (and the other insured family death benefits provided for Fund members) have again increased sharply after the year end, and the long-term sustainability of the current salary multiple for the insured death benefit therefore remains uncertain. The Fund Rules do permit the Trustees to reduce the multiple if the current level of benefits becomes unaffordable.

Appointment of the Board of Fund

During 2019 the Financial Sector Conduct Authority engaged with the Board of Fund regarding the process followed for the appointment of Trustees to represent the members of the Fund, which the Financial Sector Conduct Authority did not believe was in conformity with the requirements of the Rules of the Fund. The Board of Fund considered this and accepted the Financial Sector Conduct Authority's proposal that an interim Board of Fund be appointed in terms of Section 26 of the Pension Funds Act, to amend the Rules of the Fund and ensure that Board members are properly elected in terms of the amended Rules of the Fund. Following the approval of the consolidated Rules by the Financial Sector Conduct Authority on 06 September 2020, the interim Board of Fund appointed in terms of Section 26 has subsequently been dissolved and a new Board of Fund appointed effective 25 June 2021.

9. Subsequent event/(s)

Since the end of the period the following significant event/(s) occurred:

Fidelity and Indemnity Insurance Cover

Fidelity and Indemnity Insurance Cover to the value of R150 million for the Fund through Marsh Proprietary Limited, underwritten by Camargue Underwriting Managers Proprietary Limited, was in place from 1 April 2021 to 31 March 2022 and renewed from 1 April 2022 to 31 March 2023 under the same terms and conditions.

SCHEDULE F
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Statement of Net Assets and Funds
At 31 March 2022

	Notes	Current period R	Previous period R
ASSETS			
Non-current assets			
Investments	1	4 393 018 481	3 962 231 328
		<u>4 393 018 481</u>	<u>3 962 231 328</u>
Current assets			
Accounts receivable	4	3 415 098	30 601 864
Contributions receivable	5	0	8 259
Cash at bank		97 693 519	69 029 256
		<u>101 108 617</u>	<u>99 639 379</u>
Total assets		<u>4 494 127 098</u>	<u>4 061 870 707</u>
FUNDS AND LIABILITIES			
Funds and surplus account			
Members' individual accounts		3 104 948 417	2 771 351 518
		<u>3 104 948 417</u>	<u>2 771 351 518</u>
Reserve accounts			
Reserve accounts	6	1 044 204 319	934 898 325
		<u>1 044 204 319</u>	<u>934 898 325</u>
Total funds and reserves		<u>4 149 152 736</u>	<u>3 706 249 843</u>
Non-current liabilities			
Employer surplus account	7	101 511 199	91 418 497
Unclaimed benefits	8	118 207 428	136 998 199
		<u>219 718 627</u>	<u>228 416 696</u>
Current liabilities			
Benefits payable	9	118 501 964	120 756 640
Accounts payable	10	6 753 771	6 447 528
		<u>125 255 735</u>	<u>127 204 168</u>
Total funds and liabilities		<u>4 494 127 098</u>	<u>4 061 870 707</u>

SCHEDULE G
POLITICAL OFFICE BEARERS PENSION FUND
 Registration number: 12/8/35658

Statement of Changes in Net Assets and Funds
 For the period ended 31 March 2022

Notes	Members' individual accounts and amounts to be allocated	Reserve account/(s)		Current period		Previous period	
		R	R	R	R	R	R
5	Contributions received and accrued	182 612 258	32 069 251	214 681 509	215 976 901		
	Reinsurance proceeds	0	52 223 858	52 223 858	88 339 408		
11	Net investment income	315 133 353	116 935 259	432 068 612	722 803 611		
12	Other income	1 600 000	0	1 600 000	2 896 762		
	Net income before expenses	499 345 611	201 228 368	700 573 979	1 030 016 682		
	Less						
	Reinsurance premiums	0	42 099 840	42 099 840	28 338 960		
13	Administration expenses	0	6 386 425	6 386 425	5 577 535		
	Net income before transfers and benefits	499 345 611	152 742 103	652 087 714	996 100 187		
	Transfers from other funds	600 947	0	600 947	638 090		
9	Benefits	(192 781 156)	0	(192 781 156)	(208 130 022)		
	Net income before funds and reserves	307 165 402	152 742 103	459 907 505	788 608 255		
	Funds and reserves						
	Balance at beginning of period	2 771 351 518	934 898 325	3 706 249 843	2 942 427 754		
		3 078 516 920	1 087 640 428	4 166 157 348	3 731 036 009		
	Net investment return allocated						
9	Benefits payable to current members	(3 256 122)	0	(3 256 122)	(2 549 095)		
9	Benefits payable on surplus apportionment	0	0	0	(116 564)		
8	Unclaimed benefits	(3 655 788)	0	(3 655 788)	(4 945 527)		
	Surplus and reserve accounts	(10 092 702)	0	(10 092 702)	(17 174 980)		
		3 061 512 308	1 087 640 428	4 149 152 736	3 706 249 843		
	Transfer between reserve account(s) and						
	Members' individual accounts	43 436 109	(43 436 109)	0	0		
	Balance at end of period	3 104 948 417	1 044 204 319	4 149 152 736	3 706 249 843		

SCHEDULE HA
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Notes to the Annual Financial Statements
For the period ended 31 March 2022

Basis of preparation

The financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the Fund and the provisions of the Pension Funds Act.

The financial statements are prepared on the historical cost and going concern basis, except where specifically indicated in the accounting policies below:

Principal accounting policies

The following are the principal accounting policies adopted by the Fund. These policies have been applied consistently to all years presented, unless otherwise stated.

Financial instruments

A financial instrument is recognised when the Fund becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus directly attributable transaction costs other than those classified at fair value through the Statement of Changes in Net Assets and Funds. Gains or losses arising from changes in the fair value are presented in the Statement of Changes in Net Assets and Funds in the period in which they arise.

Financial instruments include financial assets, cash and cash equivalents, accounts receivable, accounts payable, other financial liabilities and derivative financial instruments.

Financial instruments include the following instruments per category:

Financial assets at fair value through Statement of Changes in Net Assets and Funds

- Equities
- Debt instruments including Islamic debt instruments
- Collective investment schemes
- Insurance policies
- Investment properties and owner occupied properties

Loans and receivables

- Cash
- Accounts receivable

Other financial liabilities

- Accounts payable

Subsequent to initial recognition, financial instruments are measured on the basis set out below:

Equities

Listed equities

Equity instruments are subsequently measured at fair value and the fair value adjustments are recognised in the Statement of Changes in Net Assets and Funds. The fair value of equity instruments with standard terms and conditions and traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the reporting date.

SCHEDULE HA
POLITICAL OFFICE BEARERS PENSION FUND
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Notes to the Annual Financial Statements
For the period ended 31 March 2022

Debt instruments including Islamic debt instruments

Debt instruments comprise investments in government or provincial administration, local authorities, participating employers, subsidiaries or holding companies and corporate bonds.

Listed debt instruments

The fair value of listed debt instruments traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the Statement of Net Assets and Funds date.

Unlisted debt instruments

A market yield is determined by using appropriate yields of existing debt instruments that best fit the profile of the instrument being measured and based on the term to maturity of the instrument. Adjusting for credit risk, where appropriate, a discounted cash flow model is then applied, using the determined yield, in order to calculate the fair value.

Collective investment schemes

Investments in collective investment schemes are subsequently measured at fair value, which is the quoted at the reporting date, as derived by the collective investment scheme administrator, multiplied by the number of units held.

Insurance policies

Linked policies

If the policy is unitised, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

Derivative market instruments

Derivative market instruments consist of options, equity index-linked instruments, futures/forwards, SAFEX/foreign, currency swaps and interest rate swaps.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from regulated exchange quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The Fund does not classify any derivatives as hedges in a hedging relationship.

SCHEDULE HA
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Notes to the Annual Financial Statements
For the period ended 31 March 2022

Futures/forwards

The fair value of publicly traded derivatives is based on quoted closing prices for assets held or liabilities issued, and current offer prices for assets to be acquired and liabilities held.

Commodities

Commodities are measured at fair value using the closing price quoted from a regulated exchange.

Investment properties and owner occupied properties

Immovable properties and investment properties are properties held for long-term rental yields or capital appreciation that are not occupied by the Fund. Immovable properties and investment properties are stated initially at cost on acquisition, which comprises the purchase price and directly attributable expenditure. Subsequently, immovable properties and investment properties are recognised at fair value at the Statement of Net Assets and Funds date, as determined annually by independent professional valuers.

Cash

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value. Cash and cash equivalents are initially measured at fair value and subsequently at amortised cost using the effective interest method.

Accounts receivable

Accounts receivable are subsequently measured at amortised cost using the effective interest method, less impairment losses. Receivables with a short duration are not discounted, as the effects of discounting are immaterial.

Accounts payable

Accounts payable are subsequently measured at amortised cost, using the effective interest method. Payables with a short duration are not discounted, as the effects of discounting are immaterial.

Transfers from other funds

Individual transfers

Individual transfers are recognised on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value. Individual transfers are measured at the value of the transfer at effective date of the transfer, adjusted for investment return or late payment interest.

Contributions

Contributions received and accrued

Contributions are measured at the fair value of the consideration received or receivable and are accrued and recognised as income in accordance with the Rules of the Fund. Contributions received are apportioned between retirement funding and funding for risk expenses. The apportionment is governed by the Rules of the Fund. Any contributions outstanding at the end of the reporting period are recognised as a current asset – contributions receivable. Any contributions received in advance at the end of the reporting period are recognised as a current liability – contributions payable. Contributions received and

SCHEDULE HA
POLITICAL OFFICE BEARERS PENSION FUND
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Notes to the Annual Financial Statements
For the period ended 31 March 2022

accrued only include cash payments from the member and employer. They do not include contributions funded from reserve or surplus accounts.

Voluntary contributions

Voluntary contributions are measured at the fair value of the considerations received or receivable. Voluntary contributions are recognised when they are received for annual payments or accrued where monthly recurring payments are made. Any contributions received in advance at the end of the reporting period are recognised as a current liability – contributions payable.

Interest charged on late payment of contributions

Compound interest (compounded daily) on late payments or unpaid amounts and values is calculated for the period from the first day of the month following the expiration of the period in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the Fund. Interest at a rate as prescribed from time to time by the Minister by notice in the Gazette shall be payable on the amount of any contribution transmitted into a Fund's bank account later than seven days after the end of the period for which such a contribution is payable.

Reserves and specified accounts

Reserve accounts are accounted for in terms of the Rules of the Fund.

Surplus

Surplus apportionments are recognised on the date when the surplus apportionment scheme is approved by the Financial Sector Conduct Authority, as contained in the written approval issued by the Authority in this regard. Surplus is measured at the values contained in the surplus apportionment scheme approved by the Financial Sector Conduct Authority on the surplus apportionment date of the Fund. These amounts are adjusted for investment return or late payment interest until the date of approval of the scheme, as guided by the Pension Funds Act and/or the Rules of the Fund.

Benefits

Benefits payable are measured in terms of the Rules of the Fund. Benefit payments are recognised as an expense when they are due and payable in terms of the Rules of the Fund. Any benefits not paid at the end of the reporting period are recognised as a current liability – benefits payable.

Reinsurance proceeds

Reinsurance proceeds are measured at the fair value of the consideration received or receivable and are accrued and recognised as income at the same time as the recognition of the related claim.

Divorce orders

Divorce orders are recognised in the Statement of Changes in Net Assets and Funds upon notification of the divorce order by the non-member spouse. The divorce order is measured in accordance with the divorce order decree and requirements of the Income Tax Act.

Unclaimed benefits

Unclaimed benefits are claims payable to current or former members that remain unpaid in excess of 24 months from the date it becomes due and payable in terms of the Rules of the Fund. Unclaimed benefits are initially measured at cost and subsequently measured at amortised cost. Unclaimed benefits are classified and disclosed as a non-current liability.

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Notes to the Annual Financial Statements
For the period ended 31 March 2022

Investment income

Dividends

Dividend income is recognised in the Statement of Changes in Net assets and Funds when the right to receive payment is established – this is the last date to trade for equity securities.

Interest

Interest income in respect of financial assets held at amortised cost is accounted for in the Statement of Changes in Net Assets and Funds using the effective interest rate method.

Collective investment schemes' distribution

Distributions from collective investment schemes are recognised in the Statement of Changes in Net Assets and Fund when the right to receive payment is established.

Insurance policy income

Insurance policy income is recognised in the Statement of Changes in Net Assets and Funds when the right to receive payment is established.

Adjustment to fair value

Gains or losses arising from changes in the fair value of 'financial assets at fair value through the Statement of Changes in Net Assets and Funds' are presented in the Statement of Changes in Net Assets and Funds in the period in which they arise.

Expenses incurred in managing investments

Expenses in respect of the management of investments are recognised as the service is rendered.

Administration expenses and reinsurance premiums

Expenses incurred in the administration of the Fund and reinsurance premiums are recognised in the Statement of Changes in Net Assets and Funds in the reporting period in which it occurred. An expense is recognised if it is probable that any future economic benefit associated with the item will flow from the Fund and the cost can be reliably measured. In the event that an expense has not yet been paid at the end of the reporting period, the liability will be reflected in the accounts payable note. If an expense has been paid in advance or has been overpaid, the asset will be disclosed in the accounts receivable note.

Member individual accounts

Member individual accounts comprise of the Funds attributable to individual members, represented by investments and cash balances.

Amounts to be allocated

Amounts to be allocated represents transactions through the Fund which have not been allocated to members or reserves.

SCHEDULE HA
POLITICAL OFFICE BEARERS PENSION FUND
 Registration number: 12/8/35658

Notes to the Annual Financial Statements
 For the period ended 31 March 2022

1. Investments

1.1. Investment summary

	Local R	Foreign R	Total current period R	Total previous period R	Fair value current period R
Fair value through Statement of Changes in Net Assets and Funds					
Cash	611 922 466	0	611 922 466	87 572 341	611 922 466
Commodities	3 589 015	0	3 589 015	6 657 535	3 589 015
Debt instruments including Islamic debt instruments	1 071 267 216	0	1 071 267 216	882 721 031	1 071 267 216
Equities (including demutualisation shares)	646 375 001	0	646 375 001	999 512 331	646 375 001
Insurance policies	1 060 973 482	921 133	1 061 894 615	928 236 649	1 061 894 615
Collective investment schemes	5 098	997 965 070	997 970 168	1 057 531 441	997 970 168
	3 394 132 278	998 886 203	4 393 018 481	3 962 231 328	4 393 018 481

SCHEDULE HA
POLITICAL OFFICE BEARERS PENSION FUND
 Registration number: 12/8/35658

Notes to the Annual Financial Statements
 For the period ended 31 March 2022

2. Housing loan facilities

Housing loan guarantees

	Current period R	Previous period R
Housing loan guarantee	3 196 159	3 114 936
	3 196 159	3 114 936

The Fund has provided guarantees to Ithala Bank Limited to secure housing loans for its members. The guarantees are limited to 33% of the relevant members' withdrawal benefits, in terms of the rules of the Fund and Section 19(5) of the Pension Funds Act in South Africa. Each guarantee is secured by the withdrawal benefit of the respective members on whose behalf the guarantees were granted.

The total housing loan guarantee facility available to the Fund is R3 646 983 (2021: R3 382 557) of which the Fund has utilised and provided guarantees of R3 196 159 (2021: R3 114 936).

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3. Transfers from other funds

	No. of members	At beginning of period	Transfers approved	Net investment return	Assets		At end of period
					R	R	
Individual transfers	1	0	598 267	2 680	(600 947)		0
		0	598 267	2 680	(600 947)		0

Movement on Statement of Changes in Net Assets and Funds

Transfers approved	598 267
Net investment return	2 680
Transfers from other funds	600 947

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

4. Accounts receivable	Current period	Previous period
	R	R
Administration fees	0	6 466
Fidelity insurance prepaid	0	272 027
Interest on late payment contributions	1 297	0
Reinsurance proceeds		
Group life assurance	3 413 801	30 323 371
	<u>3 415 098</u>	<u>30 601 864</u>

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

5. Contributions

	At beginning of period	Towards retirement	Towards reinsurance and expenses	Contributions received	At end of period
	R	R	R	R	R
Members contributions					
Received and accrued	2 065	55 606 117	0	(55 608 182)	0
Additional voluntary contributions	2 065	50 437 806	0	(50 439 871)	0
Employer contributions					
Received and accrued	6 194	127 006 141	32 069 251	(159 081 586)	0
	6 194	127 006 141	32 069 251	(159 081 586)	0
	8 259	182 612 258	32 069 251	(214 689 768)	0

Reported as:

Contributions receivable	8 259	0
	8 259	0

Movement on Statement of Changes in Net Assets and Funds

Towards retirement	182 612 258
Towards reinsurance and expenses	32 069 251
Contributions received and accrued	214 681 509

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Notes to the Annual Financial Statements
For the period ended 31 March 2022

Unapproved Reinsurance Policy

Permanent health insurance policy

The policy for permanent health insurance is in the name of the employer. In terms of the Rules of the Fund, the Fund is used as a conduit to pay these premiums. The total premiums for the year of R3 941 369 (2021: R3 725 698) was netted off against the employer contributions received towards re-insurance and expenses. Insurance premiums of R3 614 948 (2021: R3 399 406) for the period 01 April 2021 to 31 March 2022 were received and paid to MMI Group Limited and therefore a payable of R326 421 (2021: R326 292) was recognised at year end (refer to note 10 to the financial statements).

Spouse cover policy

The policy for spouse cover is in the name of the employer. In terms of the Rules of the Fund, the Fund is used as a conduit to pay these premiums. The total premiums for the year of R4 214 934 (2021: R3 223 294) was netted off against the employer contributions received towards re-insurance and expenses. Insurance premiums of R3 824 760 (2021: R2 967 231) for the period 01 April 2021 to 31 March 2022 were received and paid to Sanlam Life Insurance Limited and therefore a payable of R390 174 (2021: R256 063) was recognised at year end (refer to note 10 to the financial statements).

Funeral cover policy

The policy for funeral cover is in the name of the employer. In terms of the Rules of the Fund, the Fund is used as a conduit to pay these premiums. The total premiums for the year of R532 571 (2021: R434 197) was netted off against the employer contributions received towards re-insurance and expenses. Insurance premiums of R480 628 (2021: R400 463) for the period 01 April 2021 to 31 March 2022 were received and paid to MMI Group Limited and therefore a payable of R51 943 (2021: R33 734) was recognised at year end (refer to note 10 to the financial statements).

SCHEDULE HA
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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

6. Reserve accounts

	Current period	Previous period
	R	R
Risk reserve	21 298 993	33 623 016
Data reserve account	68 188 325	48 682 178
Administration reserve account	3 422 144	4 153 710
Employer surplus account no.2	266 391 780	229 806 785
Employer surplus account no.1	684 903 077	618 632 636
	1 044 204 319	934 898 325

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

Risk Reserve	Current period R	Previous period R
Contributions received and accrued	26 881 853	28 289 065
Reinsurance proceeds	52 223 858	88 339 408
Net investment income	2 893 964	3 623 726
Net income before expenses	81 999 675	120 252 199
Less:		
Reinsurance premiums	42 099 840	28 338 960
Net income before funds and reserves	39 899 835	91 913 239
Funds and reserves		
Balance at beginning of period	33 623 016	15 688 189
	73 522 851	107 601 428
Transfer between reserve account/(s) and		
Accumulated funds/Member individual accounts	(52 223 858)	(88 339 408)
Members' individual accounts		
Other reserves	0	14 360 996
Transfer between reserves		
Balance at end of period	21 298 993	33 623 016

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

Data reserve account	Current period	Previous period
	R	R
Net investment income	19 506 147	23 507 016
Net income before funds and reserves	19 506 147	23 507 016
Funds and reserves		
Balance at beginning of period	48 682 178	39 536 158
Transfer between reserve account and		
Other reserve accounts	0	(14 360 996)
Transfer between reserves	68 188 325	48 682 178
Balance at end of period		

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

Administration reserve account	Current period	Previous period
	R	R
Contributions received and accrued	5 187 398	5 202 204
Net investment income	397 861	817 456
Net income before expenses	5 585 259	6 019 660
Less:		
Administration expenses	6 386 425	5 577 535
Net income/(loss) before funds and reserves	(801 166)	442 125
Funds and reserves		
Balance at beginning of period	4 153 710	3 711 585
Transfer between reserve account and		
Accumulated funds/member individual accounts	69 600	0
Members' individual accounts	3 422 144	4 153 710
Balance at end of period	3 422 144	4 153 710

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

Employer surplus account no.2

	Current period	Previous period
	R	R
Net investment income	25 942 988	43 196 129
Net income before funds and reserves	25 942 988	43 196 129
Funds and reserves		
Balance at beginning of period	229 806 785	186 791 425
Transfer between reserve account and		
Accumulated funds/member individual accounts	10 642 007	(180 769)
Members' individual accounts	266 391 780	229 806 785
Balance at end of period		

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

Employer surplus account no.1	Current period	Previous period
	R	R
Net investment income	68 194 299	116 223 777
Net income before funds and reserves	68 194 299	116 223 777
Funds and reserves		
Balance at beginning of period	618 632 636	502 408 859
Transfer between reserve account and		
Accumulated funds/member individual accounts	(1 923 858)	0
Members' individual accounts	684 903 077	618 632 636
Balance at end of period		

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

7. Employer surplus account

	Current period R	Previous period R
At the beginning of period	91 418 497	74 243 517
Net investment return	10 092 702	17 174 980
At end of period	101 511 199	91 418 497

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

8. Unclaimed benefits	Current period	Previous period
	R	R
At the beginning of the period	136 998 199	143 554 615
Transferred to benefits payable	(23 550 260)	0
Surplus benefits payable transferred	1 124 539	12 653
Net investment return	3 655 788	4 945 527
Less:		
Allocation of administration expenses	13 104	11 097
Benefits paid	7 734	11 503 499
At end of period	118 207 428	136 998 199

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

9. Benefits

	At beginning of period	Benefits for current period	Net investment return	Payments	Transferred from unclaimed benefits	At end of period
	R	R	R	R	R	R
On retirement	8 918 881	69 531 702	142 186	(54 380 176)	(1 366 239)	22 846 354
Lump sums on retirement						
Full benefit	8 918 881	69 531 702	142 186	(54 380 176)	(1 366 239)	22 846 354
Pre-retirement	110 713 220	125 154 282	3 064 456	(151 830 203)	8 553 855	95 655 610
Lump sums before retirement						
Death benefits	105 143 585	97 849 035	2 989 471	(120 348 429)	0	85 633 662
Withdrawal benefits	5 569 635	27 305 247	74 985	(31 481 774)	8 553 855	10 021 948
Other	0	(1 904 828)	49 480	(14 507 296)	16 362 644	0
Divorce orders	0	14 457 816	49 480	(14 507 296)	0	0
Equalisation benefits (former members)	0	(4 546 470)	0	0	4 546 470	0
Additional service benefits (former members)	0	(11 816 174)	0	0	11 816 174	0
	119 632 101	192 781 156	3 256 122	(220 717 675)	23 550 260	118 501 964

Movement on Statement of Changes in Net Assets and Funds

Benefits awarded	192 781 156
Net investment return	3 256 122
Benefits	196 037 278

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

Benefits (continued)

	At beginning of period	Surplus allocated	Net investment return	Payments	Transferred to unclaimed benefits	At end of period
	R	R	R	R	R	R
Enhancements to former members	1 124 539	0	0	0	(1 124 539)	0
	1 124 539	0	0	0	(1 124 539)	0
Total benefits	120 756 640	192 781 156	3 256 122	(220 717 675)	22 425 721	118 501 964

SCHEDULE HA
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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

10. Accounts payable

	Current period	Previous period
	R	R
Administration fees	3 947	0
Auditor's remuneration	741 175	705 870
Board of Fund expenses	123 133	249 052
Business Connexion fees	2 143	1 939
Consulting fees	0	182 420
Contribution payable	851 307	2 131 190
Contribution refundable to member	108 641	108 641
Legal fees	81 288	0
Principal officer expenses	0	77 287
Reinsurance premiums	3 959 257	2 375 040
Group life assurance	114 342	0
Secretarial fees	51 943	33 734
Unapproved policy premiums in respect of participating employer/s	326 421	326 292
Funeral premiums	390 174	256 063
Permanent health insurance	6 753 771	6 447 528
Sanlam spouses cover		
	6 753 771	6 447 528

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

11. Net investment income	Current period	Previous period
	R	R
Collective investment schemes income	45	(42)
Fair value adjustments	362 729 671	658 769 764
Insurance policies income	6	0
Interest received	82 596 799	75 001 090
Interest on late payment of contributions	1 554	79
Less:		
Expenses incurred in managing investments	13 259 463	10 967 280
Investment administrators' fees	432 068 612	722 803 611

Dividends received

In terms of the Regulatory Reporting Requirements for Retirement Funds in South Africa, dividends received of R51 195 050 (2021: R32 589 784) have been included in the fair value adjustments.

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

12. Other income

	Current period	Previous period
	R	R
Other income	1 600 000	0
Professional indemnity claim income	0	2 896 762
	<u>1 600 000</u>	<u>2 896 762</u>

Other income

Other income relates to a settlement received by the Public Investment Corporation Asset Manager for the breach of mandate that occurred in the prior year.

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

	Notes	Current period R	Previous period R
13. Administration expenses			
Actuarial fees		258 256	318 465
Administration fees		1 532 473	1 462 840
Administration fees on unclaimed benefits		13 104	11 098
Audit fees		741 175	705 870
Bank charges		1 301	2 081
Board of Fund expenses	13.1	731 605	994 531
Business Connexion fees		24 226	23 774
Consulting fees		1 271 210	1 540 685
Fidelity cover		273 045	254 231
Financial Sector Conduct Authority levies		24 144	22 929
Legal fees		217 764	64 141
Principal Officer expenses	13.2	773 880	187 987
Secretarial fees		537 346	0
Less:			
Amount allocated to unclaimed benefits		13 104	11 097
		6 386 425	5 577 535
13.1 Board of Fund expenses			
Expenses		498 454	189 467
Other payments		233 151	805 064
		731 605	994 531
13.2 Principal Officer expenses			
Other payments		464 880	64 896
Remuneration		309 000	123 091
		773 880	187 987

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Notes to the Annual Financial Statements
For the period ended 31 March 2022

Other payments

Other payments are in respect of reimbursements, travel costs and investigations with regards to death benefits.

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Notes to the Annual Financial Statements
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14. Risk management

The Board of the Fund has overall responsibility for the establishment and oversight of the Fund's risk management policies.

The Board of Fund has established the Risk Management Committee, which is responsible for developing and monitoring the Fund's risk management policies. The committee reports regularly to the Board of Fund on its activities.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities

The Fund has exposure to the following risks from its use of financial instruments:

- Market risk, including currency risk, interest rate risk and price risk
- Credit risk
- Liquidity risk
- Operational risk

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: Currency risk, interest rate risk and price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates.

The Fund monitors currency risk in line with Regulation 28, the limits set out in terms of the South African Reserve Bank as well as in terms of the investment policy of the Fund.

The Fund invests indirectly in securities and other investments that are denominated in foreign currencies. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will be subject to foreign exchange risk.

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For the period ended 31 March 2022

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in the interest rate. Interest rate risk is limited to interest bearing financial instruments that are accounted for at amortised cost.

Interest rate risk associated with the interest linked instruments included in the linked insurance policies is managed by the investment administrator according to the investment mandate and the risk management policy of the Fund. The investment administrator reports on the steps taken to identify and manage the risk on an annual basis.

The Employer surplus account is invested with all the other Fund assets to minimise the fluctuation in cash flows associated with the changes in interest rates.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Board of Fund identifies the risk during the process of setting the investment strategy. The issues considered by the Board of Fund in setting the investment strategy are documented in the investment policy document and actioned accordingly by the appointed investment administrators. The investment administrators reports on an annual basis on how the risk was identified and managed. The investment strategy of the Fund for the investment in equities and other market price related instruments complies with the Regulation 28 limit for the investment in equities and other market price related instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, and cause the other party to incur a financial loss. Credit risk can arise when the investments of the Fund are exposed to contractual agreements, whether reflected on or off the Statement of Net Assets and Funds. Credit risk can also arise when the Fund has the right to off-set or to settle net in respect of certain assets and liabilities but does not intend to do so.

Housing loan guarantees granted are secured by the after tax withdrawal benefit of the respective members on whose behalf the guarantees were granted. The amount of the guarantee may not exceed 33.33% of the fund credit of the respective members. Housing loan guarantees granted are renewed annually to ensure that the general terms and conditions are still applicable.

The Fund's assets are only invested through compliant regulated investment administrators. The Fund's investment mandate stipulates that the investment administrator should monitor the risks associated with the Fund's investments on a regular basis.

The Fund makes use of an investment advisor who ensures that the Fund only invests in well-researched institutions with an acceptable risk rating.

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Notes to the Annual Financial Statements
For the period ended 31 March 2022

The Board of Fund has appointed an investment subcommittee to monitor if the investment administrators properly manage the credit risk, and that investment portfolios are still within the investment mandate of the Fund.

Credit risk is managed by the Fund's outsourced investment administrators by investing in well-researched institutions and within the parameters of the investment mandate. The investment administrator must report annually on the steps taken to identify and manage the credit risk, in terms of the Fund's risk management policy.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations associated with financial liabilities.

According to the investment mandate, the Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash.

In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests as specified in the Rules of the Fund.

Cash flows are prepared on a monthly basis and the Board of Fund closely monitors the cash flow requirements. Bank reconciliations are performed on a monthly basis by the Fund's administrator. Monies is invested and disinvested as and when the need arises.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's activities and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of Fund's behaviour.

The Fund ensures that for all significant contractual obligations, as provided for in terms of the Rules, provisions have been raised in the annual financial statements and complies with all legislation, regulations and contracts. The responsibility lies with the Board of Fund predominantly as well as with the Fund's service providers where agreed to.

Details of the Fund's risk management policy are available for inspection at the registered office of the Fund.

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Notes to the Annual Financial Statements
 For the period ended 31 March 2022

15. Related party transactions

Related party	Relationship/Description	Current Period		Prior Period	
		Transactions R	Balance R	Transactions R	Balance R
Administrator	Administration fees	(2 069 819)	(118 289)	(1 462 840)	6 466
Participating Employer	Contributions towards retirement, reinsurance and expenses	159 075 392	(851 307)	160 146 064	(2 131 190)
Participating Employer	Employer surplus account	10 092 702	101 511 199	17 174 980	91 419 497
Participating Employer	Permanent health insurance premiums	(3 941 369)	(326 421)	(3 725 698)	(326 292)
Participating Employer	Funeral insurance premiums	(532 571)	(51 943)	(434 197)	(33 734)
Participating Employer	Spouse cover premiums	(4 214 934)	(390 174)	(3 223 294)	(256 063)
Principal Officer	Principal officer	(773 880)	0	(187 987)	(77 287)

Receivable and payable

Amounts that are in brackets relate to payables/creditors and those without brackets relate to receivables/debtors.

Board of Fund

The Member elected Board Members and some of the Employer appointed Board Members make contributions to the Fund and are entitled to receive benefits in terms of the Fund Rules on exiting the Fund.

Current and prior period transactions

Amounts that are in brackets relate to expenses and those without brackets relate to income

SCHEDULE HB

POLITICAL OFFICE BEARERS PENSION FUND (Registration number: 12/8/35658/1)

Report of the Valuator

For the period ended 31 March 2022

1. The latest statutory actuarial valuation submitted to the Financial Sector Conduct Authority was as at 31 March 2020, where the Fund was determined to be in a financially sound position with:
 - a) Adjusted net assets of R3 230 million exceeding the sum of the Member Fund Credits of R2 467 million and the Employer Surplus Accounts of R763 million; and
 - b) The remaining assets of R58.9 million established the Data Error Reserve of R39.5 million, the Risk Reserve of R15.7 million and the Administration Expense Reserve of R3.7 million.
2. An interim actuarial valuation will be performed as of 31 March 2022 upon finalisation of these financial statements.
3. The methods of determining the values of liabilities and reserves as well as the changes thereof since at the last statutory valuation report are as follows:
 - a) Member Fund Credits are opening balances plus contributions accumulated with fund returns;
 - b) Employer surplus accounts are accumulated with fund returns;
 - c) The Data Error Reserve exists to cushion the Fund against errors affecting Member Fund Credits and is targeted to be between 1.0% and 1.5% of member liabilities;
 - d) The Risk Reserve exists to cushion the Fund against unexpected increase in premiums for risk benefits and is targeted at 2% of pensionable salaries; and
 - e) The Administration Expense Reserve exists to cushion the Fund against possible expense over-runs and is targeted at 9-months' budgeted expenses.
4. I have reviewed the build-up of the Fund's reserve accounts as of 31 March 2022. I am satisfied that the assets of the Fund are sufficient to cover the Member Liabilities and establish contingency reserve accounts, therefore the Fund being in a financially sound position.

Prepared by:



Ranti Mothapo
VALUATOR

Fellow of the Actuarial Society of South Africa

In my capacity as the valuator of the Fund and

Date: 21 July 2022

SCHEDULE I
POLITICAL OFFICE BEARERS PENSION FUND
Registration number: 12/8/35658

Report of the Independent Auditors to the Board of Fund and the Financial Sector Conduct Authority and Schedules to the Annual Financial Statements
For the period ended 31 March 2022

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SECTION 15 AUDITOR'S REPORT – NORMAL FUNDS

SCHEDULE I

INDEPENDENT AUDITOR'S AGREED-UPON PROCEDURES REPORT TO THE BOARD OF FUND AND THE FINANCIAL SECTOR CONDUCT AUTHORITY IN RESPECT OF THE audited ANNUAL FINANCIAL STATEMENTS AND OTHER SPECIFIED INFORMATION IN THE GENERAL LEDGER AND MANAGEMENT INFORMATION COMPRISING THE ACCOUNTING RECORDS (THE "SUBJECT MATTER") OF POLITICAL OFFICE BEARERS PENSION FUND ("THE FUND") FOR THE YEAR ENDED 31 MARCH 2022.

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report on the Subject Matter is provided in accordance with Section 15(1) of the Pension Funds Act, No. 24 of 1956 of South Africa (the "Act"), solely for the purpose of assisting the Financial Sector Conduct Authority (the "Authority") and Board of Fund in evaluating whether there are any instances of non-compliance with the requirements of the specified sections of the Act, Regulations of the Act, 1962 and the registered Rules of the Fund during the year 31 March 2022, and may not be suitable for another purpose. This report is intended solely for the Board of Fund and the Authority and should not be used by, or distributed to, any other parties.

Responsibilities of the Board of Fund and the Authority

The Board of Fund and the Authority have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Board of Fund is responsible for the subject matter on which the agreed-upon procedures are performed.

Auditor's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Board of Fund and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.



National Executive: *R Redfearn Chief Executive Officer *GM Berry Chief Operating Officer JW Eshun Managing Director Business LN Mahluza Chief People Officer *N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer *NA le Riche Chief Growth Officer *ML Tshabalala Audit & Assurance AM Babu Consulting TA Oduko Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal DP Ndlovu Chair of the Board

Regional Leader: MN Alberts

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Professional Ethics and Quality Control

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code). The IRBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

The firm applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*; and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

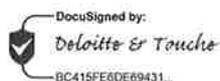
We have performed the procedures described in the table below, which were agreed upon with the Board of Fund in respect of the audited annual financial statements and other specified information in the general ledger and management information comprising the accounting records of the Fund for the year ended 31 March 2022.

Unless otherwise indicated, all balances, lists, schedules and other relevant documents referred to in the table below relate to the accounts/balances reflected in the audited annual financial statements of the Fund for the year ended 31 March 2022.

Sample size and selection criteria

Unless otherwise stated in the procedure, the sample should be selected as follows:

Sort the list by member number or other numerical identifier, if no member number is applicable, and divide the total number of items on the list by the number of items to be selected, to obtain the variable rounded off to the nearest whole number (the "nth item"). Select a sample starting from the first to the nearest nth item on the list, then select every nth item until the required sample size is reached.



Deloitte & Touche
Registered Auditors

Per Z Jakoet
Partner

29 September 2022

	Procedures	Findings																		
	Statement of Net Assets and Funds																			
1.	Investments																			
1.1	Obtain a list of all investments as at 31 March 2022 from the Fund administrator and agree the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the audited annual financial statements as at 31 March 2022 and note any differences.	<p>We obtained a list of investments as at 31 March 2022 from the Fund administrator and agreed the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the annual financial statements as at 31 March 2022.</p> <table border="1"> <tbody> <tr> <td>Cash</td> <td>611 922 466</td> </tr> <tr> <td>Commodities</td> <td>3 589 015</td> </tr> <tr> <td>Debt instruments including Islamic debt instruments</td> <td>1 071 267 216</td> </tr> <tr> <td>Equities (including demutualisation shares)</td> <td>646 375 001</td> </tr> <tr> <td>Insurance policies</td> <td>1 061 894 615</td> </tr> <tr> <td>Collective investment schemes</td> <td>997 970 168</td> </tr> <tr> <td>Total as per the list of investment balances</td> <td>4 393 018 481</td> </tr> <tr> <td>Investments balance as per the Statement of Net Assets and Funds</td> <td>4 393 018 481</td> </tr> <tr> <td>Difference</td> <td>-</td> </tr> </tbody> </table>	Cash	611 922 466	Commodities	3 589 015	Debt instruments including Islamic debt instruments	1 071 267 216	Equities (including demutualisation shares)	646 375 001	Insurance policies	1 061 894 615	Collective investment schemes	997 970 168	Total as per the list of investment balances	4 393 018 481	Investments balance as per the Statement of Net Assets and Funds	4 393 018 481	Difference	-
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Difference	-																			
1.1.1	<p>a) Obtain external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the investment managers / insurers / collective investments managers as at 31 March 2022. Where the auditor is unable to obtain these external confirmations, note this fact.</p> <p>b) For external confirmations that are in a foreign currency, obtain the exchange rate(s) applied by the Fund administrator to translate the</p>	<p>a) We obtained external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the investment managers as at 31 March 2022:</p> <p>b) Not applicable. No external confirmations that are in a foreign currency were obtained.</p> <p>c) For external confirmations that are in ZAR, we agreed the values of the investments per the external confirmations obtained to the</p>																		

	Procedures	Findings												
	<p>investment value to South African rands (ZAR) from the Fund administrator and recalculate the ZAR value using the exchange rate. Agree the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p> <p>c) For external confirmations, that are in ZAR agree the values of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p>	<p>investment balances as per the list of investments obtained in procedure 1.1.</p> <table border="1" data-bbox="919 360 1382 965"> <tr> <td>Total as per the list of investment balances</td> <td>4 393 018 481</td> </tr> <tr> <td>Unsettled trades</td> <td>0</td> </tr> <tr> <td>Accrued income and expenses</td> <td>0</td> </tr> <tr> <td>Subtotal</td> <td>4 393 018 475</td> </tr> <tr> <td>Total as per the external confirmations obtained from the investment managers.</td> <td>4 393 018 476</td> </tr> <tr> <td>Difference</td> <td>-6 (rounding)</td> </tr> </table>	Total as per the list of investment balances	4 393 018 481	Unsettled trades	0	Accrued income and expenses	0	Subtotal	4 393 018 475	Total as per the external confirmations obtained from the investment managers.	4 393 018 476	Difference	-6 (rounding)
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Difference	-6 (rounding)													
1.1.2	<p>From the list of investments obtained in procedure 1.1, by inspection of the list or inquiry with the Fund administrator, note new investments made during the year ended 31 March 2022. Select a sample of 10 of the largest value new investments (if there are less than 10 new investments, select all) from the list of investments obtained in procedure 1.1, and perform the following procedures:</p>	<p>From the list of investments obtained in procedure 1.1, by inspection of the list and inquiry with the Fund administrator, we have noted two new investments made during the year ended 31 March 2022.</p> <p>We selected all new investments (as there were less than 10 new investments), from the list of investments obtained in procedure 1.1, and performed the following procedure for each one selected:</p>												
1.1.2.1	<p>Inquire from the Principal Officer the date on which the investment policy statement of the Fund was last reviewed/approved by the Board of Fund. Note the date.</p>	<p>We obtained the portfolio management agreement/investment mandate/policy between the Fund and the investment administrator(s) from the Asset managers and inspected if it was signed. No exceptions noted.</p>												
1.1.2.2	<p>Obtain the latest approved policy statement from the Principal Officer. Inspect the investment policy statement and document the different categories of investments that are within the scope of the investment policy statement.</p>	<p>We obtained the latest approved policy statement from the Administrator as noted in 1.2 above.</p> <p>We inspected the investment policy statement and document the different categories of investments that are within the scope of the investment policy statement.</p>												
1.1.2.3	<p>Inspect the investment note 1 of the audited annual financial statements for the year ended 31 March 2022 and document the categories of investments that the Fund has invested in.</p>	<p>We inspected the investment note 1 of the audited annual financial statements for the year ended 31 March 2022 and the categories of investments that the Fund has invested in are as follows:</p> <ul style="list-style-type: none"> • Cash. • Commodities. 												

	Procedures	Findings
		<ul style="list-style-type: none"> • Debt instruments including Islamic debt instruments. • Equities (including demutualisation shares). • Insurance policies. • Collective investment schemes.
1.1.2.4	Compare the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and note the instances where the investment categories per the audited annual financial statements do not agree to the investment policy statement.	We compared the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and noted no instances where the investment categories per the audited annual financial statements do not agree with the investment policy statement.
1.2.1	Calculate the total value of direct investments held by the Fund in the participating employer as reflected in the investment note 1 of the audited annual financial statements, as a percentage of the total assets reflected in the Statement of Net Assets and Funds per the audited annual financial statements, and note the calculated percentage.	Not applicable. We noted no direct investments held in participating employers disclosed in the investment note 1 of the audited annual financial statements.
1.2.2	Where the calculated percentage in procedure 1.2.1 exceeds 5%, obtain from the Fund administrator the exemption letter received by the Fund from the Authority for these investments. Note the date of the exemption letter; alternatively, note if no exemption letter could be obtained.	Not applicable. We noted no direct investments held in participating employers disclosed in the investment note 1 of the audited annual financial statements.
1.3	<p>Section 19(5B) Investments</p> <p>Inquire from the Principal Officer about the matters specified below, as they relate to the year ended 31 March 2022 and note the following:</p> <ol style="list-style-type: none"> i. Any loans or guarantees have been granted to a member of the Fund other than for the purposes of Section 19(5); and ii. Any loans have been granted to and investments were made in the shares of the following: <ol style="list-style-type: none"> a. A company controlled by an officer or a member of the fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company. <p>Where loans of this nature have been granted, note the following details of the loans granted: date, amounts and name of the borrower.</p>	<p>We inquired from the Principal Officer about the matters specified below, as they relate to the year ended 31 March 2022. Based on our inquiries performed, we noted the following:</p> <ol style="list-style-type: none"> i. no loans or guarantees have been granted to a member of the Fund other than for the purposes of Section 19(5) for the year ended 31 March 2022; and ii. no loans have been granted to and investments were made in the shares of <ol style="list-style-type: none"> a. A company controlled by an officer or a member of the fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established for the year ended 31 March 2022; or b. a subsidiary (as defined in the Companies Act) of such a first-mentioned company for the year ended 31 March 2022.
1.4	Section 19(5D) Investments	We inquired from the Principal Officer who noted that the Fund did not, directly or indirectly,

	Procedures	Findings						
	<p>Inquire from the Principal Officer about the matters specified below as they relate to the year ended 31 March 2022 and document the responses obtained:</p> <p>a. The Fund, directly or indirectly, acquired or held shares or any other financial interest in another entity at year end, which resulted in the Fund exercising control over that entity, without obtaining the prior approval from the Authority; and</p> <p>b. The approval referred to in paragraph (a) was given, subject to any conditions, and note these conditions.</p>	<p>acquire or held shares or any other financial interest in another entity at 31 March 2022, which resulted in the Fund exercising control over that entity, without obtaining the prior approval from the Authority.</p>						
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)							
2.1	<p>Obtain a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 31 March 2022 and as at 1 April 2021 from the Fund administrator, and perform procedure 2.3:</p>	<p>We obtained a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 31 March 2022 and as at 1 April 2021 from the Fund administrator, and performed procedure 2.3:</p>						
2.2	<p>Obtain a reconciliation of the total value of the list of member individual accounts as at 31 March 2022 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 31 March 2022 from the Fund administrator. Note the reconciling items.</p>	<p>We obtained a reconciliation of the total value of the list of member individual accounts as at 31 March 2022 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 31 March 2022 from the Fund administrator. No reconciling items were noted.</p> <table border="1" data-bbox="895 1211 1337 1352"> <tr> <td>Total as per the list of member individual accounts</td> <td>3 104 948 417</td> </tr> </table> <table border="1" data-bbox="895 1440 1337 1704"> <tr> <td>Member individual account as reflected on the Statement of Net Assets and Funds as at 31 March 2022</td> <td>3 104 948 417</td> </tr> </table> <table border="1" data-bbox="895 1709 1337 1780"> <tr> <td>Difference</td> <td>-</td> </tr> </table>	Total as per the list of member individual accounts	3 104 948 417	Member individual account as reflected on the Statement of Net Assets and Funds as at 31 March 2022	3 104 948 417	Difference	-
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Member individual account as reflected on the Statement of Net Assets and Funds as at 31 March 2022	3 104 948 417							
Difference	-							
2.3	<p>Select a sample of the lesser of 25 or 10% of the number of members from the list of members at the end of the year obtained in procedure 2.1 (selected based on the selection criteria provided above) and perform the following procedures for</p>	<p>We selected a sample of 25 members from the list of members at the end of the year obtained in procedure 2.1 for the following three months:</p> <ul style="list-style-type: none"> • October 2021; • December 2021; and 						

	Procedures	Findings
	<p>each member selected and for each of the following three months selected, based on the sample selection criteria described below:</p> <ul style="list-style-type: none"> • [Insert month x; • Insert month y; and • Insert the last month of the]. <p>[Specify the basis of the sample selection for the 2 months, other than the last month of the , as agreed with the Fund.]</p>	<ul style="list-style-type: none"> • March 2022, selected based on the following sample selection criteria agreed with the Fund. <p>Systematic Sampling was used as the basis of the sample selection for the 2 months, other than the last month of the year.</p> <p>We performed the following procedures for each member and month selected:</p>
2.3.1	Obtain a list of the member and employer contributions received and allocated for the respective months from the Fund administration system, by accessing the administration system and extracting this list, or by obtaining this list from the Fund administrator and perform procedure 2.3.3.	We obtained from the Fund administrator a list of the member and employer contributions received and allocated for the respective months from the Fund administration system and performed procedure 2.3.3 below.
2.3.2	Obtain the remittance advice supplied by the participating employers to the Fund administrator for the respective months, and perform procedure 2.3.3.	We obtained the remittance advice supplied by the participating employers to the Fund administrator for the respective months, and performed procedure 2.3.3 below.
2.3.3	Agree the member and employer contributions per the list obtained in procedure 2.3.1 with the member and employer contributions per the documents obtained in procedure 2.3.2 and note any differences.	The member and employer contributions obtained in procedure 2.3.1 agreed with the member and employer contributions obtained in procedure 2.3.2. No differences were noted.
2.4	Obtain the registered rules of the Fund from the Fund administrator/Principal Officer and perform the procedure below.	We obtained the registered rules of the Fund from the Fund administrator and performed the procedure below.
2.4.1	Calculate the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the remittance obtained in procedure 2.3.2. Agree the calculated member and employer contribution rates to the rate per the rules of the Fund obtained in procedure 2.4. Note any differences.	We calculated the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the remittance advice obtained in procedure 2.3.2. The calculated member and employer contribution rates agreed to the contribution rates per the rules of the Fund obtained in procedure 2.4.
2.5	Inquire from the Fund administrator whether the Fund is a unitised or non-unitised fund, and note the type of fund.	We inquired from the fund administrator whether the Fund is a unitised or non-unitised fund, and noted that the fund is a non-unitised fund.
2.5.1	<p>If the fund is a unitised fund, as noted in procedure 2.5:</p> <p>For the sample of members selected in procedure 2.3, perform the following procedures:</p>	Not applicable. The Fund does not offer unitised investment products.
2.5.1.1	Recalculate the units allocated to the member for the specific month, as per the fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were	Not applicable. The Fund does not offer unitised investment products.

	Procedures	Findings
	unitised. Agree the recalculated units to the units allocated to the member for the specific month, as per the fund administration system. Note any differences.	
2.5.1.2	Obtain an external confirmation of the unit prices from [insert the name and specify the authority of the investment manager / actuary / other party who provides the external confirmation] throughout the ended 31 March 2022. Note any exceptions of confirmations not obtained.	Not applicable. The Fund does not offer unitised investment products.
2.5.1.3	Agree the unit price per the administration system in 2.5.1.1 to the unit price per the external confirmation in 2.5.1.2, and note any differences.	Not applicable. The Fund does not offer unitised investment products.
2.5.1.4	Recalculate the member's fund credit as at 31 March 2022 by multiplying the number of units with the unit price, using both inputs as per the administration system. Agree the recalculated amount to the member's fund credit per the listing obtained in procedure 2.1, and note any differences.	Not applicable. The Fund does not offer unitised investment products.
2.5.1.5	Agree the 31 March 2022 unit price as per the administration system used in procedure 2.5.1.1 to the unit price obtained from the [insert the name of the investment manager / actuary / specify other authorised party] in procedure 2.5.1.2, and note any differences.	Not applicable. The Fund does not offer unitised investment products.
2.5.2	If the fund is a non-unitised fund, as noted in procedure 2.5, for the sample of members selected in procedure 2.3, perform the following procedures:	For the sample of members selected in procedure 2.3, we performed the following procedures:
2.5.2.1	Obtain the resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant/asset manager/fund valuator that indicates the rate of investment returns to be allocated to members from the Fund consultant.	We obtained the approved recommendation by the investment consultant that indicates the rate of investment returns to be allocated to members from the fund Consultant.
2.5.2.2	Inquire from the Fund administrator about how the investment returns as per the resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant obtained in procedure 2.5.2.1 are allocated to the members of the Fund.	We inquired from the Fund administrator about how the investment returns as per the approved recommendation by the investment consultant obtained in procedure 2.5.2.1 are allocated to the members of the Fund.
2.5.2.3	Recalculate the member's closing fund credit as at 31 March 2022 by: <ul style="list-style-type: none"> • Taking the member's opening fund credit from the opening listing obtained in procedure 2.1. • Adding the contributions allocated as per the administration system; and 	We recalculated the member's closing fund credit as at 31 March 2022 by: <ul style="list-style-type: none"> • Taking the member's opening fund credit from the opening listing obtained in procedure 2.1;

	Procedures	Findings
	<ul style="list-style-type: none"> Adding/subtracting the returns allocated to the member as calculated using the basis provided by Fund administrator obtained in procedure 2.5.2.2. <p>Agree the recalculated amount to the member's fund credit per the closing listing obtained in procedure 2.1 and note any differences.</p>	<ul style="list-style-type: none"> Adding the contributions allocated as per the administration system; and Adding/subtracting the returns allocated to the member as calculated using the basis provided by the Fund administrator in procedure 2.5.2.2. <p>The recalculated amount agreed to the member's fund credit per the closing listing obtained in procedure 2.1.</p>
2.6	<p>Switches</p> <p>Obtain a list from the Fund administrator of the members who switched investment portfolios during the year-end (including Lifestage switches). Select a sample of the lesser of 25 or 10% of the members who switched between investment portfolios during the year (selected based on the selection criteria provided above), and perform the following procedures:</p>	Not applicable as there are no switches in the Fund.
2.6.1	<p>Obtain the [service level agreement / client mandate between the administrator and the Fund] from the Fund administrator and note the following terms:</p> <ul style="list-style-type: none"> Days indicated to process a member-elected switch. Timing to effect a Lifestage switch. Fees deductible from the member individual accounts to process a switch. 	Not applicable as there are no switches in the Fund.
2.6.2	<p>Member-elected switches</p> <p>For member-elected switches included in the sample selected in procedure 2.6, obtain the member's instruction to switch investment portfolios from the Fund administrator, and perform the following procedures:</p>	<p>Member-elected switches</p> <p>Not applicable, as no member-elected switches were noted in the sample selected in procedure 2.6.</p>
2.6.2.1	<p>Inspect the member's instruction for details of the required switch and note the following details per the instruction:</p> <ul style="list-style-type: none"> Date of receipt of the member's instruction by the Fund administrator; Effective date of the switch; and Investment portfolio to be switched into. 	Not applicable, as no member-elected switches were noted in the sample selected in procedure 2.6.
2.6.2.2	<p>Inspect the member's fund credit transactions from the administration system obtained from the Fund administrator and note the following details about the switch:</p> <ul style="list-style-type: none"> Date when the switch was processed by the Fund administrator; Effective date of the switch; and 	We inspected the member's fund credit transactions on the administration system obtained from Fund administrator and did not note any member-elected switches in the sample selected in procedure 2.6.